



**REGULAR MEETING**  
**PUBLIC EMPLOYEES' RETIREMENT BOARD**

**JANUARY 27, 2005**

The regular meeting was called to order by President Teichrow at 8:30 a.m. Thursday, September 23, 2004. Roll call was taken with all members of the Board being present. Board members and staff present were:

Terry Teichrow, President  
Carole Carey, Vice President  
Robert Griffith, Member  
Betty Lou Kasten, Member  
Jay Klawon, Member  
Troy McGee, Member  
Jim Pierce, Member  
Kelly Jenkins, Counsel  
Melanie Symons, Counsel  
Mike O'Connor, Executive Director  
Linda Owen, Secretary

**OPEN MEETING**

Steve Kologi, AMRPE; Tim Jones, Nancy Quirino and Sue Winchester, Great-West Retirement Services; Kevin McRae, State Personnel Division; Barb Kain, Department of Administration; Terrence M. Smith, Big Sky County Water and Sewer District; Rick Ryan, Dan Cotrell, Chad Nicholson, Matt Norby, Scott Moore, Jack Trethewey, and Ed Regele, members of the Montana State Firemen's Association; and Ian Steel, Disability Claims Examiner; Kim Flatow, Member Services Bureau Chief; Roxanne Minnehan, Fiscal Services Bureau Chief; Carolyn Miller, Administrative Officer; Rob Virts, Training and Development Specialist; and Barb Quinn, Accounting Supervisor; MPERA, joined the meeting.

**MINUTES OF OPEN MEETING**

The Executive Director presented the minutes of the open meeting of December 9, 2004. Mrs. Carey moved that the minutes of the previous open meeting be approved as amended. Mr. Klawon seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Public Comment** – Terry Smith, Big Sky County Water and Sewer District, commended the Board and staff on the exemplary job they have done in performing their duties and maintaining a well-funded trust fund, in view of the actuarial valuations.

He addressed the Board regarding the actuarial audit stating the plan choice rate (PCR) was a complicated issue, but that it did follow within the laws that were written, and performed the job it was supposed to do. However, he stressed that an amortization period of 30 years would be appropriate, which is not the case under the current circumstances. Mr. Smith would like the Board to consider extending to 30 years for amount of time to pay the unfunded liability, as well as proposing legislation that would expand what costs are covered under the PCR.

Mr. Smith will put his comments in writing.

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## **EXECUTIVE DIRECTOR'S REPORT - Mike O'Connor**

**Board Legislative Committee Report** – Mr. O'Connor updated the Board on the status of the retirement bills and all that has transpired through January 26, 2005.

HB 329 – Eliminating the ability of both the TRS/PERS retirees to return to work as a working retiree. It also eliminates the optional membership provision in PERS that allows an individual who works less than 960 hours per year to elect in or out of the system. It will require every individual to have the employer withhold retirement contributions. It also would not allow anyone who retired to be able to return to work in any capacity, and it would not allow individuals to stop their retirement and return to active employment in a second retirement.

Mrs. Kasten made a motion that the Board opposes HB 329. Mr. Griffith seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

SB 254 – Revise eligibility requirements for volunteer firefighters. This bill has a provision that strikes that a qualified department has to be a certain class rating. In researching the ratings, every department has a rating, so all would qualify for the Volunteer Firefighters' Compensation Act. This provision strikeout is also in the Board's General Revisions bill. The bill is allowing flexibility. Mr. Griffith moved that the Board support SB 254. Mr. McGee seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

LC 354 – Detention officers included in the Sheriffs' Retirement System SRS). The Sheriffs and Peace Officers Association is pushing this bill. It increases the cost to the system and the normal policy to take additional funding. The issue is if the detention officers (approximately 400-500) should be in the SRS when they are not sheriffs or deputy sheriffs.

Mr. O'Connor's arguments in opposition to this were from a financial side--concern with cost and the actuarial soundness of the system. The Board legislative committee's first consideration was to direct the Executive Director to oppose this bill for the reason, primarily, because this was not the right system for the detention officers to be in. The dollar arguments were secondary. Board counsel persuaded the committee to reverse their thinking and make arguments for unfunded liability, cost, etc., but also mentioning at the same time, not as the primary reason, this not being the right system for detention officers.

The committee's reluctant recommendation to the Board is to oppose the bill with a directive that the Executive Director argue, primarily dollars, and then the issue of the retirement system. The Board is not the expert in law enforcement to be saying they should not be in the SRS. The Board could guide them towards the Game Wardens and Peace Officers' Retirement System.

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Mrs. Kasten moved that the Board oppose LC 354. Mr. Klawon seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye. By Board consensus, President Teichrow directed staff to testify in opposition of the bill for reasons of cost and actuarial soundness of the system, as well as the SRS not being the correct system for the detention officers to be in.

**Board's Comprehensive Annual Financial Report – FY04** – Barbara Quinn presented the FY2004 Comprehensive Annual Financial Report for the retirement plans, addressing new items added to the report, as well as highlights from each section. She also noted there is a new website address: (<http://mpera.mt.gov/>).

The Annual Report was awarded the GFOA Award—Certificate of Achievement in Financial Reporting—for the sixth consecutive year. Another award received for the second consecutive year was the Public Pension Coordinating Council (PPCC) Award in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards. This award is dependent upon receiving the GFOA Award.

**Negotiation of Pay Plan Guidelines** – Kevin McRae, with the Labor Relations Bureau in the Department of Administration, State Personnel Division, addressed the Board's draft Pay Plan Guidelines. He gave a brief overview of the collective bargaining process in state government and the obligations under law.

In 1973, the Legislature passed the Montana Collective Bargaining Act for public employees, which was patterned after the National Labor Relations Act for the private sector. The Montana Board of Personnel Appeals was created by the Legislature in 1973, and is administratively attached within the Department of Labor and Industry, with a five-member board appointed by the Governor. This is a quasi-judicial appellate board that hears and resolves all matters that arise under collective bargaining in regard to disputes between labor and management.

The Montana Board of Personnel Appeals and the Department of Labor and Industry enforce and administer the Collective Bargaining Act. The Labor Relations Bureau in the Department of Administration, State Personnel Division, is the representative of the Governor for bargaining. They are also a resource to state agency management to ensure that, collectively, they are able to effectively enter into agreements and take care of business, and carry out the missions and objectives of the operation in a mutually agreeable fashion with the work force as they are represented through the labor organization.

Mr. McRae pointed out it is an unfair labor practice, or violation of statute, for management to send an unauthorized bargaining team to the table. The bargaining team must be authorized by the employer to enter into a binding agreement with the union when a tentative agreement is reached. The union, however, may take the tentative agreement back to the membership and conduct a ratification vote.

The Board, as a group, can indicate up front what they expect from bargaining negotiations. President Teichrow inquired about the procedure to follow if the board members on the negotiating team would want to take something back to the full Board for discussion. Mr. McRae suggested stopping short of reaching the tentative agreement at the table. If there is the sense that a concept for a deal is close, at that point, conclude negotiations for the day and state you need to go back and check on a few things. Tentative agreement implies that management will have to live up to an agreement, but it is only subject to the union ratification.

When asked if there is the ability to get up and walk away from the negotiating table, Mr. McRae stated the specifics would be determined on a case-by-case basis. A bargaining team would know the issues before going into negotiations. Under the law, as long as both sides have agreed to meet and confer over the subject, there may be a point at which an impasse could be reached. Impasse is when you come to the conclusion that no further discussions would be fruitful. If at an impasse, and the Board of Personnel Appeals would determine if it was a bona fide impasse, an employer has a legal right to implement its last, best and final offer. The union also has a right to strike, or engage in other concerted activities short of striking, if at an impasse. These are checks and balances.

There are two levels of negotiations that take place. There are universal pay plans that cover most employees. Those pay plans are statewide economic negotiations. The contract negotiations or pay plan rule negotiations within an individual organization would involve discussions only between the labor representatives for the employees and the management team representatives. Employee pay is not legislated individually by agency; it is still legislated through a proposed pay bill. It is ultimately up to the Legislature to decide pay levels and appropriation.

President Teichrow was trying to make the point that the Board would like anything that took place as an agreement, to come back to the whole Board before it was ratified, but it will not happen that way. The negotiating team will have to make the agreement, not the whole Board. Mr. McRae stated the negotiating team could include the entire Board, but that would tend to make things more unwieldy. For efficiency purposes, proposals are provided in advance if mutually agreeable. A point short of reaching a tentative agreement where either side comes back with something less than what was previously on the table is called regressive bargaining and is not allowed. One tries to maintain the integrity of what they are trying to accomplish.

Mr. McRae stated an effective bargaining team might consist of someone from the Labor Relations Bureau, a chief administrative officer or officers, and a Board member or two. The Board will select a negotiating team at the next Board meeting.

**Purchase of Service – Trustee-to-Trustee Transfer** – The Internal Revenue Service (IRS) has issued final regulations for 457 Deferred Compensation Plans. Tax counsel (Ice Miller) advised that the Board's 457 Plan needs adjustments in order to comply with the new regulations. The change needed is in the area of trustee-to-trustee transfers prior to an employee terminating service, and we no longer will be able to allow employees to transfer 457 plan money to purchase one-for-five service prior to termination. Employees can continue to purchase the service; the restriction is they can no longer use 457 plan money to pay for the cost of the one-for-five service prior to their termination of service.

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Mr. Jenkins explained this relates to the ability of the plan member to transfer money from the 457 plan to the defined benefit plan for the purpose of purchasing one-for-five service. This service is sometimes referred to as “air time” or “permissive service,” which means there is no service that goes along with it; it is simply a benefit enhancement provision within the retirement system that allows a member to purchase extra service for actuarial cost. We have been allowing members to transfer money while they are still employed, out of the 457 plan into the DB plan to buy that air time. Federal regulations under EGTRRA do not allow that to happen. Our implementation is in non-conformance with federal law and needs to be fixed soon. However, the plan term changes cannot be made before members are noticed and given the opportunity to exercise their plan rights.

Mr. Klawon had concern for police, firefighters and sheriffs who are in PERS, not their normal retirement systems that this would affect their opportunity to retire earlier than 30 years. He wants to make sure they are aware of the option to purchase one-for-five service with 457 plan money by June 17, 2005.

There are different kinds of service members would still be allowed to buy and be in conformance with federal law. It is only the one-for-five time, the air time that is not in conformance and this involves only active members. People who have terminated service would be allowed to use 457 plan money to buy the one-for-five service.

Mrs. Kasten moved that MPERA implement notification for affected retirement plan members of the Board intent to adopt rule amendments for compliance with federal law restrictions on plan-to-plan transfers for purchase of permissive service, with an effective date of June 17, 2005. Mr. McGee seconded the motion, which upon being submitted to vote, was duly carried with five of the attending members voting aye, and Mr. Klawon and Mr. Pierce voting nay.

**Quarterly Budget Review** – Roxanne Minnehan presented the second quarter budget report, pointing out that some fixed costs are paid up front and, therefore, are 100% expended. She noted the overall budget for all programs stands at 39% expended. Ms. Minnehan answered any questions Board members had.

**EIAC Recommendations** – The Investment Policy Statements (IPS) adopted by the Board in 2004 require the use of the Callan Associates database/universe of funds. Callan Associates required Arnerich, Massena and Associates to discontinue use of their database no later than September 30, 2004. This apparently occurred due to consulting competition between Callan and Arnerich. Consequently, Arnerich, Massena and Associates are now using the Russell Mellon database.

Two modifications were recommended for the IPS's:

- A. Use the Russell Mellon database or
- B. More general language such as “use of an appropriate industry accepted database containing a sufficient number of funds in the same asset class and investment category.”

At their meeting on January 12, 2005, the Employee Investment Advisory Council (EIAC) unanimously recommended Option B with the addition of “approved by the MPERB” after database for the IPS’s for the PERS 401(a) Defined Contribution Retirement Plan (DCRP) and the 457 Deferred Compensation Plan. The EIAC recommendation is included in the modified IPS’s presented.

Mrs. Kasten made a motion to adopt the modified Investment Policy Statements for 2005, for both plans. Mr. Klawon seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Vanguard Funds** – If assets in Vanguard funds exceed \$10 M, Vanguard can provide different share classes for such funds with lower expense ratios. As of December 31, 2004, the State 457 Plan had one fund, the Vanguard 500 Index Fund, which exceeded \$10 M; and the DCRP had one fund, the Vanguard Balanced Index Fund, which exceeded \$10 M.

As a result of these two funds exceeding \$10 M, Vanguard has offered to make the following fund changes:

- The Vanguard Balanced Fund (401(a) plan) assets can be moved to a different share class in the same fund. The current share class is the Admiral share class with an expense ratio of .15%. The proposed new share class is the Institutional share class with an expense ratio of .10%.
- The Vanguard 500 Index Fund assets can be moved to an entirely different fund that is essentially the same; still an S&P 500 Index Fund using the same strategies and holdings. However, SEC regulations require Vanguard to separate assets to a different fund.

The current Vanguard 500 Index Fund uses the Admiral share class with an expense ratio of .12%. The different “new” Vanguard 500 Index Fund uses an Institutional share class with an expense ratio of .05%.

EIAC recommended moving the Vanguard 500 and Balanced funds to new share class and new fund, and have the transfer occur as soon as possible on the same day.

Mr. Klawon moved to accept the EIAC recommendation and transfer the Vanguard 500 fund in the 457 Deferred Compensation Plan and the Vanguard Balanced Fund in the 401(a) Defined Contribution Retirement Plan to the new fund and share class, respectively, as soon as administratively feasible. Mrs. Kasten seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Emergency Withdrawal Committee** – At their December 9, 2004 meeting, the Board was requested to review and consider revising the composition of the Committee. Although President Teichrow feels the current process that is being used works very well, he does not feel it is necessary to have a Board member on the committee.

Mr. Klawon made a motion to appoint Melanie Symons, Kim Flatow and Kathy Samson to the 457 Deferred Compensation Emergency Withdrawal Committee. Mrs. Kasten seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

Mr. Jones advised the Board of a Great-West publication called "Financial Footnotes." It is not included with the quarterly statements because of the additional time it takes Great West to include the information in the quarterly statements. It could be a good educational piece because it hits on different factors about planning for retirement. President Teichrow requested that Mr. Jones provide the Board with samples of the publication, and a presentation at a future Board meeting.

**Contract Amendment – Arnerich, Massena & Associates** – The initial contract with Arnerich, Massena & Associates was for a two-year period, March 1, 2001 through February 28, 2003, with the option to extend in two-year intervals, not to exceed four additional years. Mr. O'Connor advised the Board that staff would like to extend the contract from another two-years, and issue a Request for Proposal (RFP) for this type of service after that.

Addendum #4 is required by the SEC to comply with the Investment Advisers Act of 1940 and the Gramm-Leach-Bliley Act. The requirements are designed to protect us from any improper actions of the investment adviser. Paragraph #1 is consistent with our existing contract. Paragraph #2 changes the existing contract, as 30-days notice is currently not needed to terminate. MPERA staff has no objection to the 30-day notice period. Paragraphs 3 through 7 are favorable.

The Board adopted a motion to amend its Investment Policy Statements (IPS) to require "use of an appropriate industry accepted database, approved by the PER Board, containing a sufficient number of funds in the same asset class and investment category." Consistent with this change, paragraph #5 of Addendum Number 5 changes the database from Callan Associates to Russell Mellon. Addendum #5 also extends the contract for the last two-year period permitted, March 1, 2005 through February 28, 2007; and increases the fixed price for services requested in Section 4.1.1. by \$1,000 a year, the only increase in price over the existing contract.

Mr. Klawon moved that the Board accept MPERA staff's recommendation to continue its Investment Consulting Service contract with Arnerich, Massena & Associates; and that Addendum Number 4 and Addendum Number 5 be approved by the Board. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**457 Deferred Compensation Plan – Carter County** – Carter County requested information regarding the State 457 Deferred Compensation Plan. Carter County's current 457 plan provider is Nationwide Insurance Company through the Montana Association of Counties. On December 6, 2004, Kathy Samson presented information regarding the State 457 Plan to Carter County and provided them with the Resolution and Adoption Agreement. The Carter County commissioners subsequently signed the Resolution and Adoption Agreement to join the State 457 Plan.

Mr. Pierce made a motion that the Board accepts the Resolution and Adoption Agreement allowing Carter County to join the State 457 Deferred Compensation Plan, effective April 1, 2005. Mr. Klawon seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Little Basin Creek Volunteer Fire Company** – The Little Basin Creek Volunteer Fire Company requested that the Board accept the Annual Certificate filed on July 27, 2004 and November 4, 2004, for the fiscal years 1983, 1984, 1986, 1987, 1989, 1990, 1991, 1992, 1993, 1994, 1995 and 1997. Most Annual Certificates were signed by the present fire chief and notarized. The past fire chief signed 1986 (not notarized) and 1987. These two certificates were obtained from the county clerk and recorder, and certified. Training documentation was included for all years but 1990 and 1991.

Mr. Klawon made a motion that the Board uphold the staff determination that the Little Basin Creek Volunteer Fire Company is eligible to receive credit and the members should receive credit for years of service as listed on the Annual Certificates for the fiscal years 1983, 1984, 1987, 1989, 1992, 1993, 1994, 1995 and 1997. Members should not receive credit for the year 1986 because the Annual Certificate is not notarized and for the years 1990 and 1991 because there was no training documentation submitted. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with six of the attending members voting aye, and Mrs. Kasten voting nay.

**Big Sandy Volunteer Fire Department** – The Big Sandy Volunteer Fire Department requested that the Board accept the Annual Certificate filed on December 17, 2004 for the fiscal years 1985, 1986, 1988, 1989, 1990, 1991, 1997, 1998, 1999, 2002 and 2003. The Annual Certificates were signed by the fire chief and notarized. Included was the appropriate training documentation.

Mrs. Kasten felt the Board should not allow these to be so haphazard. President Teichrow pointed out that the Board created a policy to guide staff in dealing with this. Mr. Griffith added that the Board's policy conforms to the law and if the Board changes their policy, they need to change the law.

Mr. Klawon moved that the Board uphold the staff determination that Big Sandy Volunteer Fire Department is eligible to receive credit and the members should received credit for years of service as listed on the annual certificates for the fiscal years 1985, 1986, 1988, 1989, 1990, 1991, 1997, 1998, 1999, 2002 and 2003. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with six of the attending members voting aye, and Mrs. Kasten voting nay.

**Coram-West Glacier Volunteer Fire Department** – The Coram-West Glacier Volunteer Fire Department requested that the Board accept the Annual Certificate filed on January 7, 2005 for the fiscal years 1986, 1997 and 2001. The Annual Certificates were signed by the fire chief and notarized. Included was the appropriate training documentation, except for the year 1986.



Mr. Klawon made a motion that the Board uphold the staff determination that Coram-West Glacier Volunteer Fire Department is eligible to receive credit and the members should receive credit for years of service as listed on the Annual Certificates for the fiscal years 1997 and 2001. Credit should not be given for 1986 because training documentation was not supplied. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with six of the attending members voting aye, and Mrs. Kasten voting nay.

**Grant Volunteer Fire Department** – The Grant Volunteer Fire Department requested that the Board accept the Annual Certificate filed on August 11, 2004 for the fiscal years 1989, 1990, 1993, 1995, 1997 and 1998. The Annual Certificates were signed by the fire chief and notarized. Included was training documentation.

Mrs. Carey moved that the Board uphold the staff determination that the Grant Volunteer Fire Department is eligible to receive credit and the members should receive credit for years of service as listed on the Annual Certificates for the fiscal years 1989, 1990 and 1997. For the year 1995 only, G. McDougal should receive credit. For the year 1998, no members should receive credit. Mr. Griffith seconded the motion, which upon being submitted to vote, was duly carried with six of the attending members voting aye, and Mrs. Kasten voting nay.

**Operational Summary Report** - The Executive Director presented an operational summary report for the months of November and December 2004, answering any questions Board members had.

In light of HB 36, President Teichrow requested an update from Tim Jones and his staff with Great-West, on their view of the DCRP presentations, and their success or lack of success, as well as an update from Rob Virts, MPERA Training and Development Specialist. President Teichrow advised the Board that a survey has been completed and information should be received soon.

**Future Board Meetings** - Thursday: February 24 and March 24, 2004.

**The following portion of the meeting relates to matters of individual privacy. President Teichrow determined that the demands of individual privacy clearly exceed the merits of public disclosure. As such, this portion of the meeting will be closed.**

**CLOSED MEETING**

**CONTESTED CASES**

**Barbara Fink - Informal Consideration** – Barbara Fink initially applied for a disability retirement and on December 3, 2003, the Board denied her request for a disability retirement. Ms. Fink appealed the denial and appeared before the Board in January 2004, when her request for a disability retirement was again denied. Ms. Fink subsequently terminated her employment with DPHHS as of May 31, 2004. She applied for and has been receiving a regular service retirement, effective June 1, 2004.

On September 17, 2004, Ms. Fink submitted a letter requesting a disability retirement. MPERA staff denied her request, stating that as a retired member receiving a service retirement benefit, she was not eligible to apply for a disability retirement. Ms. Fink appealed the staff decision. The Board informally considered Ms. Fink's appeal on November 2, 2004, with the Board upholding staff's determination. On December 7, 2004, Ms. Fink appealed the Board's decision, requesting an administrative hearing. Upon advice of Board counsel, Ms. Fink has withdrawn her request for an administrative hearing and now requests informal reconsideration of the Board's initial decision.

After careful consideration, Mr. Klawon made a motion that the Board determines that Barbara Fink can apply for a disability retirement. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

#### **MINUTES OF CLOSED MEETING**

The Executive Director presented the minutes of the closed meeting of December 9, 2004. Mr. Griffith moved that the minutes of the previous closed meeting be approved. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

#### **RETIREMENT REPORT - Ian Steel, Disability Claims Examiner**

**Disability Claims** - The Disability Claims Examiner presented the disability claims for Board consideration. Mr. Pierce made a motion for approval of the disability claims as recommended for David Sparks, with annual review; for Tina Schlaile, without annual review; a duty-related disability for Dale Link, without annual review and denying the claim for Ronald Raty. Mrs. Carey seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Wade Fisher** – Mr. Pierce made a motion to deny disability retirement for Wade Fisher. Mr. Klawon seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Joanne Sharpe** - Mr. Klawon made a motion to grant a disability retirement without annual review for Joanne Sharpe. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with Mr. Klawon, Mrs. Kasten, Mr. Pierce and Mrs. Carey voting aye, and Mr. Griffith, Mr. McGee and President Teichrow voting nay.

**Disability Reviews** - The Disability Claims Examiner presented the disability reviews to the Board. After discussion of all the reviews, Mr. Pierce made a motion to approve the disability reviews as recommended: to continue disability retirement and discontinue annual review for Richard West, Chris Schultz, Mary Walsh, David Holcomb, and James Philp; and requesting an IME at Board expense for Paul Clark, John Siders, and Donna Johnson. Mrs. Carey seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

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**Finalized Service/Disability Retirement Benefits, Monthly Survivorship/Death Benefits, VFCA Lump Sum Death Benefit Payments, and Funeral Benefits** - Applications for service retirements/finalized disability benefits, applications for monthly survivorship-death benefits, VFCA lump sum death benefit payments, and applications for funeral benefits were presented to the Board. Mrs. Carey made a motion to approve the retirement benefits as presented. Mr. Pierce seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye.

**Contested Case Report Update** - The Board Attorneys presented a contested matter status report update.

## **ADJOURNMENT**

There being no further business to come before the Board at this date, Mr. Klawon made a motion to adjourn the meeting. Mr. Griffith seconded the motion, which upon being submitted to vote, was duly carried with the seven attending members voting aye. The next meeting is tentatively scheduled for February 24, 2005, at 8:30 a.m. in Helena.